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RAILWAY MONOPOLY: LETTERS

ADDRESSED TO THE

"TORONTO MAIL,"

BY F. BEVERLEY ROBERTSON,

—AND—

THE EFFECTS OF MONOPOLY,

From the "Manitoba Sun,"

NOW REPUBLISHED BY THE

CONSERVATIVE ANTI-DISALLOWANCE ASSOCIATION.

SEE SYNOPSIS WITHIN.

WINNIPEG:

MANITOBA SUN PRINTING AND PUBLISHING COMPANY.

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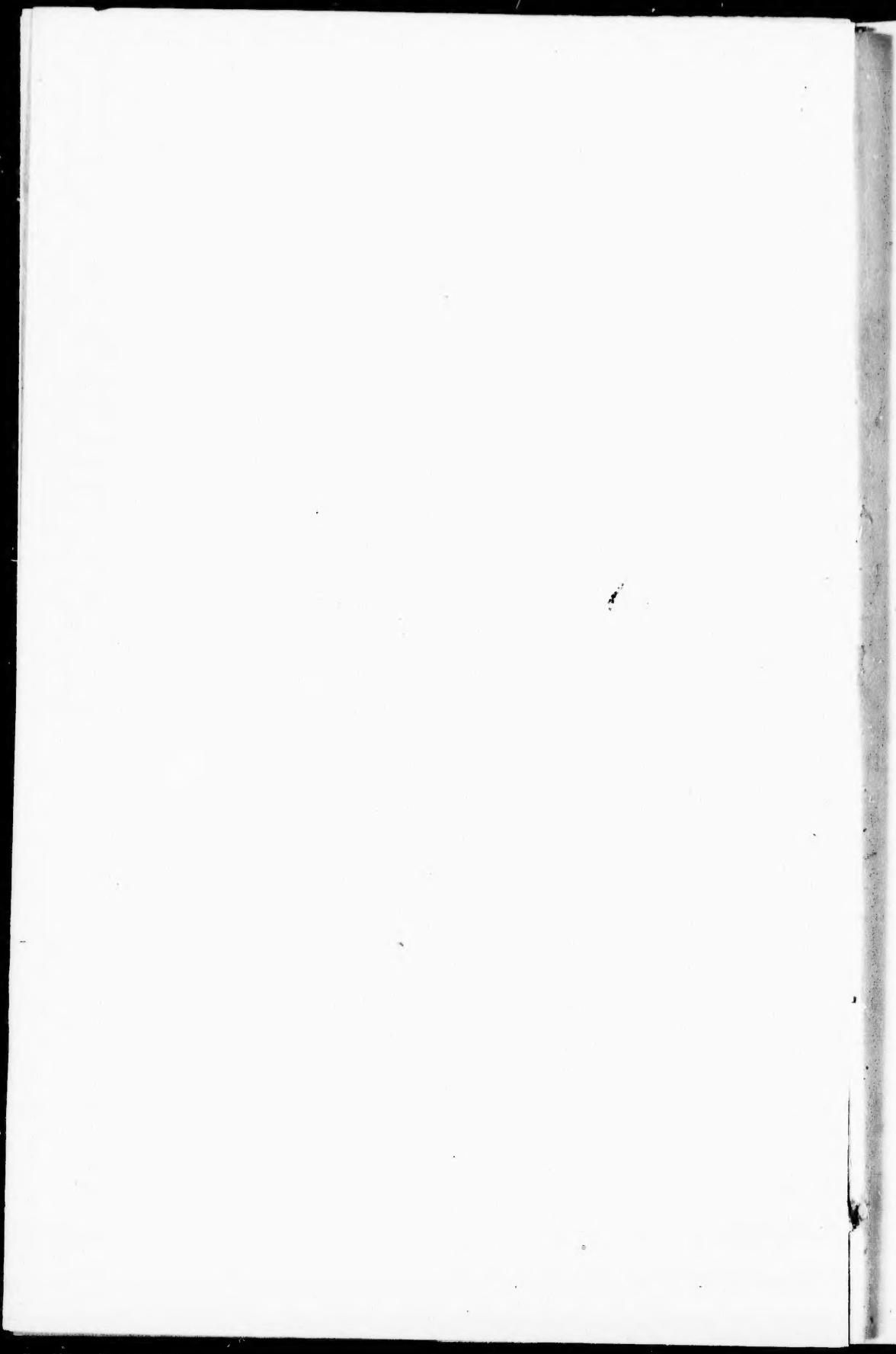
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⇒ PREFATORY NOTE. ⇲

The following letters were addressed to The Toronto Mail at the request of the Conservative Anti-Disallowance Association of Winnipeg. They are now issued by that Association in pamphlet form, in the earnest hope that their careful perusal may help to remove certain widely-prevalent misconceptions of facts which are believed to operate very injuriously to the interests of Canada as a whole. Written amid the hurry and pressure of professional work, their author claims for them no literary merit.

Particular attention is requested to the article from The Manitoba Sun on the "Effects of Monopoly."

SYNOPSIS.

No. I.—The C. P. R. Company agreed to build and operate their line *without* a monopoly in old Manitoba. This is proved:

- Par. 4. By the words of the contract.
- Par. 5. By Sir John Macdonald's declarations on the floor of Parliament.
- Par. 6. By his recent declaration in writing.
- Par. 7. By the absence of any application to the Local Legislature of Manitoba for its assent thereto.
- Par. 8. By the terms of the Act extending the boundaries of Manitoba.

N. B.—See also No. III., opening par.

No. II.—Disallowance is a policy of *retardation*, not of progress, and, therefore, contrary to Conservative principles. Competition should be allowed as a matter of Dominion policy in order to develop inter-provincial trade, etc.—Opinion of Winnipeg Board of Trade.

No. III.—Objections answered:

There is no "Disallowance" clause in the C. P. R. contract.

Par. 1. Disallowance is *not* necessary to keep faith either with the C. P. R. or with foreign capitalists.

Par. 2. A competing line would not carry off trade to the United States. It would foster trade between the Northwest and the Eastern Provinces. Ontario and Quebec are equally interested with the Northwest in obtaining it. Sir John Macdonald's declaration of policy on May 18, 1886, discussed,

No. IV.—The C. P. R. Co. has no moral claim to a monopoly in Manitoba. It is not to the advantage of Canada that a monopoly should be maintained. A railway to the south would not injure the C. P. R. The C. P. R. Co. has received \$82,000,000 in cash and 13,000,000 acres of land—\$10,000,000 more than they bargained for, besides monopoly in Manitoba to the present time which they agreed to do without. See No. 7. Its promoters have made colossal fortunes; its other shareholders are secured from loss.

What claim has the company to get still more?

No. V.—Article from The Manitoba Sun, of Jan. 12, 1887, shewing the cost of the C. P. R. to the country, and that it has cost the company \$20,000,-000 less than nothing.

RAILWAY MONOPOLY.

I.

TO THE EDITOR OF THE MAIL:

SIR,—I have been requested by the Conservative Anti-Disallowance Association of Winnipeg to write you for the purpose of removing a most injurious misconception of fact, which your otherwise able articles on this subject of the 18th and 21st inst. have a tendency to disseminate and confirm. In both of these articles you assume that the cessation of disallowance of local railway charters in Manitoba would amount to a breach or abrogation of one of the terms of the contract between Her Majesty and the C. P. R. syndicate. This is not the fact, and I am desired to beg you most earnestly to do your utmost to remove the impression that it is the fact. While such a misconception obtains, many honorable men will look upon every attempt to stop disallowance as immoral, and will resolutely stop their ears to every argument against it, though based upon the strongest grounds of public policy. The facts of the matter are these:

1. By their contract with Her Majesty, ratified by the Parliament of Canada, the C. P. R. Company bound themselves to construct and for a certain time *operate* (*even at a loss*) the transcontinental line; that company so bound themselves for certain valuable considerations, and upon certain terms, which were fully, and we may be sure, having regard to the magnitude of the undertaking, very deliberately, decided upon and set forth in the written contract, which is to be found on the early pages of the Dominion statutes of 1880-81. It has never been pretended, and it would be preposterous to pretend, that that solemn contract did not contain *all* the terms upon which the Syndicate agreed to perform their great work.

2. One of those terms was what is known as the "monopoly clause."

3. That monopoly clause did provide for a monopoly in the Northwest Territories.

4. *It did not provide for a monopoly in the Province of Manitoba*, and the contracting parties were perfectly well aware of this at the time the contract was made. It is very easy to show this from the words of the contract itself. They are: "For 20 years from the date hereof no line of railway shall be authorized by the *Dominion parliament* to be constructed south of the C. P. R. from any point at or near the C. P. R., except such line shall run S. W. or W. of S. W., nor within 15 miles of latitude 49. And in the establishment of any *new province* in the Northwest Territories provision shall be made for continuing such prohibition," etc.

[Clause 15 on page 12 of Dominion statutes of '80-'81.] Manitoba was then an *existing* province, clothed with all the powers of a province under the B. N. A. Act to charter railway lines within its own borders. That this fact was present to the minds of the makers of the contract at the time of making it, is manifest from the care taken to provide for the case of any *new* province. Yet, in full view of this fact no provision of any kind was inserted in the contract, nor was any attempt made to establish monopoly in Manitoba. In other words Manitoba was deliberately left free. But we have not to rely on the words of the contract alone.

5. Sir John Macdonald and the Hon. Thomas White both distinctly declared upon the floor of Parliament, when the terms of that contract were being discussed with a view to their ratification, that they did not create a monopoly in Manitoba, and did not and could not affect the right of the Local Legislature of Manitoba to charter railways in any direction, and to any place within that province.

6. Sir John Macdonald to-day admits in express terms—I have myself seen it in writing over his own signature within the past three months—that the monopoly clause in the C. P. R. contract does not affect the Local Legislature of Manitoba.

7. If it had been intended to make it one of the terms of that contract that monopoly was to be established in Manitoba as well as in the country to the west of it, application should and would have been made to the Local Legislature of Manitoba for its assent thereto. No such application was made, although the parties were well aware that without that assent that Legislature would not have been bound by the contract even if its very terms had purported to restrict the powers of that Legislature, which they did not. This fact alone is enough to show that the syndicate deliberately consented that the monopoly should be confined to the Northwest Territories, and should exist no more in Manitoba than in Ontario.

8. By Manitoba in this letter so far, I mean Manitoba as it was at the time the contract was made in October, 1880. In the year 1881 the limits of Manitoba were largely extended by the addition to that province of a large tract of territory which up to that time had been a part of the Northwest Territories, and subject to the monopoly clause. By the enactments making that extension, it was provided that "the said increased limits and the territory thereby added to the province of Manitoba shall be subject to all such provisions as may have

been or shall hereafter be enacted respecting the Canadian Pacific railway and the lands to be granted in aid thereof." I quote verbatim from the Dominion statute of 1881, 44 Vic., chapter 14, section 2, sub-section (b), and the statute of Manitoba of 1881, 44 Vic., chapter 1, section 2, sub-section (b). Now observe,

1. The C. P. R. contract was made on the 21st of October, 1880.

2. It was ratified by parliament on the 15th of February, 1881.

3. The act extending Manitoba's boundaries above quoted was passed at the same session of parliament as and within six weeks after the C. P. R. charter, viz., on the 21st of March, 1881.

Here was an opportunity, if it had been intended that monopoly should be established in the old province of Manitoba, to have that matter placed beyond dispute. Yet the government and parliament of Canada deliberately granted to Manitoba the large extension of her boundaries and confined the restriction to the added territory, which was already subject to it.

9. Surely no candid man, calmly weighing the facts set forth above—the terms of the contract itself, the declarations of Sir John Macdonald and Mr. White on the floor of Parliament, the contemporary circumstances, and the subsequent dealings between the Dominion Government and Parliament and the Legislature of Manitoba can arrive at the conclusion that the contract requires the maintenance of a monopoly in the old province of Manitoba, or that the discontinuance of the disallowance of charters for the construction of railways within the old province of Manitoba would be either a breach or an abrogation of the monopoly clause in that contract, either in letter or in spirit.

10. But it has been asserted that, in addition to the solemn written contract, there was a secret pledge given by the government to the syndicate that monopoly should be maintained in Manitoba by the exercise of

the Governor-General's power to veto or disallow any act of any local legislature. As to that assertion we say (I speak for a large number of Conservatives) that it is utterly unbelievable by us. No intimation of anything of the kind was made to parliament when the contract was before it for ratification. The declarations of the prime minister at that time were wholly inconsistent with it, unless the prime minister was deliberately deceiving by a verbal quibble the representatives of the people. The giving of such a pledge without consulting parliament and the legislature of Manitoba, and without obtaining the consent of parliament thereto would have been a gross breach of constitutional law and practice. We do not believe that Sir John Macdonald was or is capable either of deceiving parliament or of violating the constitution.

11. With your permission I will give you to-morrow the articles of our association, and discuss the policy of monopoly upon Dominion—not sectional or merely provincial—grounds, and the alleged moral right—legal right they clearly have none—of the C. P. R. Co. to have it maintained in old Manitoba.

In conclusion of this letter let me say that we are not appealing to the people of Ontario to oust Sir John Macdonald from power. We recognize with gratitude the splendid services which he has rendered to Canada, our country, in the past, and we believe him to be the best friend of the Northwest in public life to-day. But we desire to appeal to him, to the patriotic and able statesmen who compose his administration, and to all our Conservative friends in the Dominion to reconsider this monopoly, and for the sake of our common country, so far as may be honorably done, to do away with it by putting a stop to the vetoing or disallowance of charters for railways within Old Manitoba.

Winnipeg, Jan. 29, 1887.

II.

SIR.—In my former letter, it was shown that it was not part of the bargain that the Canadian Pacific Railway Company should have a monopoly in old Manitoba—it was shewn on the contrary that the Syndicate deliberately left old Manitoba as free from monopoly as Ontario, and agreed to build and operate their line without a monopoly in that province. Nevertheless a monopoly has hitherto been maintained in Manitoba against the will of its legislature and of its people by the exercise of the Governor-General's power of veto or disallowance. At least one, and I think several charters, granted by the Legislature of Manitoba for the construction within the limits of old Manitoba of railway lines, which would have been no infringement of the charter

privileges of the C. P. R. Company, have been disallowed at Ottawa. These lines, if they had been allowed to be built, would have given us railway competition for our trade with Ontario and Quebec. On the 18th of May last Sir John Macdonald, in the House of Commons, declared the policy of his government in this matter in these words, which I quote from Hansard: "I can only say, sir, that the policy of the Government . . . is simply to keep as much of the trade of the western country for the benefit of Canada as a whole as we can." Upon this policy the association for which I address you declared the views of its members in its articles of association, which are in these words:

"We, the undersigned Conservative electors of Winnipeg, hereby form ourselves into an

association to be called the Conservative Anti-disallowance Association.

"We declare ourselves earnest supporters of the true principles of Conservatism as defined by Sir John A. Macdonald, when he described the Conservative party as the "Party of Union and Progress."

"We gratefully acknowledge the great services rendered to Canada in the past by Sir John A. Macdonald and the Conservative party.

"We feel that no past services of any administration can entitle it to the support of the people in a policy presently injurious to the country.

"The policy of disallowance of local charters for the construction of railways within the limits of the old province of Manitoba retards the natural progress not only of Manitoba and the Northwest Territories, but of the Dominion at large.

"It discourages immigration.

"It prevents the natural development of trade between the Northwest and the other provinces of the Dominion, and in the Northwest itself; to which natural development of trade competition in railway carriage between all the provinces is essentially necessary.

"It is, therefore, not a policy of progress, but a policy of retardation, injurious alike to the Northwest and to the rest of the Dominion, and, as such, it is inconsistent with the principles of Conservatism.

"We feel bound, as Conservatives, and we hereby pledge ourselves, not to support any candidate for election to the House of Commons of Canada who will not pledge himself to oppose that policy to the extent of voting want of confidence in any government that hereafter persists in it, and otherwise by every means in his power."

These views have been adopted by the whole Conservative party throughout Manitoba, and every Conservative candidate for election in Manitoba has pledged himself thereto.

Upon the same subject the Winnipeg Board of Trade has declared its views to-day in these words :

"Another grievance which has been kept in agitation by your board and council is the disallowance of Manitoba railway charters, calculated to bring relief from the burden of railway monopoly under which the province suffers. During the year the board have used every possible effort to get relief from this, and by resolution, appealed to the city council of Winnipeg, asking that representative body to offer a liberal bonus to any company, independent of the C. P. R., which would furnish a line of railway connecting the city with other routes to eastern markets.

"Your board is desirous of impressing upon the people of the older provinces, that its efforts to get free from railway monopoly are not dictated by any desire to make the markets of this province in the United States. On the contrary its sole aim is to secure railway competition between Manitoba and

these older provinces, where the ties of confederation and a system of national tariffs, point to us our natural markets. The board adhere to the theory that transportation between the Northwest and the east, facilitated and cheapened, must necessarily increase the trade intercourse between the two.

"Another point on which the position of your board is too frequently misrepresented on this question is that it is accused of demanding from the Dominion a concession which would entail repudiation of a fair agreement between Canada and the C. P. R. Company, whereas the board has at no time demanded anything beyond the right of Manitoba to charter railways to the southern boundary of the original province, a limit which is included by no agreement between the Dominion and the C.P.R. Company, but which is kept closed against railway construction by a government policy which has a crushing effect upon the Northwest, is detrimental to the interests of this Dominion as a whole, and instead of being a guard to, is in reality a drag upon the prosperity of the C. P. R. Company."

It is plain, therefore, that this is neither a merely political nor "Grit" agitation, nor a parrot-minded sectional or provincial agitation. It is an earnest appeal from the hearts of the whole people of Manitoba to our compatriots in the other provinces of the Dominion, to give us free and untrammeled intercourse with them, for the mutual advantage of all.

As the establishment of the penny post enormously increased the volume of correspondence by letter, so would the establishment of railway competition, and lower freight rates, increase the volume of trade between the Northwest and the other provinces.

Ontario would be placed in a position to reap the benefit of her propinquity to the Northwest, for which Mr. Dalton McCarthy and others so manfully contended in the House on the 18th of May last.

Quebec would reap the benefit of railway competition coupled with the "long haul."

Our enemies would be deprived of their argument against the Northwest as a field for immigration that it is under the ban of a monopoly.

The living of the struggling settler here would be made less costly and he would be relieved from the exactions of the C. P. R. Co., which to-day are driving many almost to despair.

The whole country would be more rapidly developed and the Dominion at large would reap the benefit of its development in the increase of the demand for the manufactures of the east.

Some of the principal objections commonly made to our views, including the utterly mistaken idea that our trade would be diverted to the markets of the United States, I will endeavor with your permission to deal with later.

Winnipeg, Feb. 1, 1887.

III.

SIR,—I find in recent numbers of the Mail and of the Week repetitions by implication of the statement that the C.P.R. contract or charter bound the country or the government to create and maintain a railway monopoly within the original boundaries of Manitoba, as well as in the Northwest territories. I observe also that both the Mail and the Week speak of the "disallowance clauses" of the contract. Allow me to repeat once more, what was abundantly proved in the first of this series of letters, that the C. P. R. Syndicate by their contract agreed to build and operate the railway *without* any monopoly in old Manitoba. And there is nothing in the contract which can properly be called a "disallowance clause." It was no part of the contract that the Governor-General's power of disallowance should be exercised for the maintenance of monopoly. The *Parliament of Canada* agreed that it would not within its jurisdiction authorize the construction of lines to compete with the C. P. R. But it was no part of the contract that the local legislature of Manitoba or the local legislature of Ontario should be interfered with in the exercise of its power to authorize such lines within its jurisdiction. On the contrary, as has been shown in my first letter, it was clearly part of the bargain deliberately made that Manitoba and Ontario were to be left free in this respect. The parliament of Canada had then exclusive jurisdiction over the Northwest Territories, and in those territories the contract secures a monopoly by binding that Parliament. But it was no part of the bargain that the Governor-General's power of veto or disallowance should be called into action to interfere with Manitoba in any way whatever, and it is only of the exercise of that power that we complain. On behalf of the Association for which I write I would earnestly beg of your readers to read carefully my two former letters of this series.

I proceed now, with your permission, to deal with all the objections to our claim that we have heard:

1. It is said that foreign capital has been invested on the faith of the C. P. R. Company having a monopoly. We answer: *True*, on the faith of a monopoly in the Northwest Territories, but not on the faith of a monopoly in Manitoba or Ontario. There is no evidence whatever that anything has been relied upon by foreign capitalists except the contract itself. Is it to be supposed for a moment that the Syndicate, who knew perfectly well, as has been shown, that they had no bargain for a monopoly in Manitoba, misrepresented to foreign capitalists that they had such a monopoly, and by such falsehood obtained from them their millions? Or are we to suppose that Sir John Macdonald's government (as has been hinted), without consulting parliament, gave secret pledges

either at the time of or after the making of the contract which made to the contract an additional term that had never been sanctioned by parliament, and was wholly inconsistent with the solemn declarations made by himself on the floor of parliament at the time the contract was ratified?

Unless one of these two questions is to be answered affirmatively, foreign capitalists get all they bargained for when they get monopoly *outside* (but not inside) old Manitoba.

If it were possible to answer either of these questions affirmatively, we should say that the people of Canada could not be bound by anything but their contract constitutionally entered into with the consent and authority of their representatives in parliament. But we as Conservatives do not believe that either of these questions can be answered affirmatively. I think I am correct in saying that no such contention as that I am now discussing has ever been made or heard of on the floor of parliament. It is an *ad captandum* argument devised and used only by irresponsible defenders of the government policy merely for party's sake, and rashly adopted without examination by others.

2. Sir John Macdonald on the 18th of May last declared the policy of the government in this matter in these words: "Now, sir, with respect to what the hon. gentleman for South Huron (Sir R. Cartwright) has said as to the policy of the government with respect to the disallowance of railway bills, I can only say, sir, * * * it is simply to keep as much of the trade of the western country for the benefit of Canada as a whole as we can. I say, sir, at once, that even with that praiseworthy object, this Parliament *ought not to make any restriction that would injure the Northwest itself.*" [Hansard, 1886, page 1396.]

Now, observe *en passant*:

1. Sir John does not pretend that disallowance is necessary to keep faith with the C.P.R. Co., or with foreign capitalists.

2. Sir John does say that Parliament should not make any restriction injurious to the Northwest—which proposition *negatives* the idea that the C. P. R. Co., or foreign capitalists, have any right to demand it?

3. If Parliament should not make such a restriction, why should the Government do it through the exercise of the Governor-General's power of veto or disallowance?

To proceed with the consideration of the objection to our claim to have a competing railway to the southern boundary of old Manitoba, which is implied in Sir John's declaration above quoted. Stated in other words, that objection is that such a railway would carry off the trade of the Northwest to the United States. We say this is a complete mistake. I gave you in my second letter the deliberately expressed opinion of the Winnipeg Board of Trade on this point. I also pointed

out in that letter that such a railway would through eastern connections give us competition in railway carriage for our trade with the eastern provinces. Such competition would foster and increase that trade. At present even Montreal, with all the advantage of the "long haul" freight rates feels the need of that competition. And all western Ontario suffers still more from lack of it as every Ontario merchant knows. Its absence enables the C. P. R. Co. to prevent Ontario from reaping any advantage from the short line to Sudbury Junction or Callendar. Disallowance thus greatly injures Ontario and Quebec. That it greatly injures Manitoba and the Northwest by retarding its progress as pointed out in my second letter is surely evident to everyone.

And there is no danger of diverting our trade to the United States, for several reasons: First, because the ties of Confederation, to which the people of the Northwest are thoroughly loyal, incline us

to seek our markets in the eastern provinces; secondly, because business connections are already well established between the merchants of the Northwest and the eastern provinces, and there is no disposition to break them. Most of our business houses here are branches of eastern houses. Thirdly, because the effect of competition would be to bring down the rates of the C. P. R. Company as low as those of any possible competing line, and by that line Ontario is practically as near to us as any other market in which we could buy the commodities we require as cheaply as we could in Ontario; Fourthly, because by the operation of the National Policy Ontario and Quebec manufacturers have an enormous advantage in competition for our trade over anyone in the United States.

There is but one more objection to deal with and I will deal with that to-morrow. It is the alleged moral claim of the C. P. R. Company to have monopoly maintained.

Winnipeg, Feb. 7, 1887.

IV.

SIR,—Referring to the former letters of this series I now address you for the last time on this subject.

3. The only remaining objection to our claim to be allowed to have a railway built to our southern boundary that I have to deal with is put in this way: "The C. P. R. is a "great national undertaking; it has cost the "country millions of money; its promoters "took large risks; we must give it a chance; "we must protect it from competition till it "gets on its legs and can be made to 'pay,' "even with competition. If we allow competition with it now it will not 'pay,' and "the company may be ruined. It has a moral "right to be protected from competition for "these reasons."

As to this objection, we say the C. P. R. is no longer a national undertaking. The C. P. R. Company has been finally settled with. It has nothing more to pay the Government, and we no longer have any pecuniary interest in it as a creditor has an interest in his debtor. Its promoters made their own bargain, and they have made colossal fortunes out of it. Its other shareholders embarked in it purely as a matter of business, on the faith of the contract as it was, and not for our benefit, but for their own. Most of them bought its stock and bonds on terms that make them perfectly secure against loss in any event. The company has already received from the country many millions of dollars more than they were entitled to by their contract. It was expected by them and by us, when we made the contract, that they would have to operate the line at a loss for many years, and they were liberally paid for agreeing to do so. We never agreed to give them, and they, indeed, agreed to do without a monopoly in old Manitoba. Now,

what is the use of a contract at all, if it is to be binding upon us and not binding upon them? They have already got far more than they bargained for. What right have they to get still more? Let them perform their contract now. Let them run the line at a loss, if necessary, as they were paid for doing. And if they fail to do it, let the line revert to the people of Canada, who have paid for it \$83,000,000, besides \$13,000,000 acres of land yet held by the Company, as in such an event it was agreed that it should revert. And let the enterprising gentlemen who took the great risks retire from it upon the huge fortunes they have made out of it. As to the other shareholders, they have a Government guarantee, which on the terms on which they invested will secure them from loss, and it will pay the people of Canada better to pay what is necessary to satisfy that guarantee and operate the line as a government railway in the interests of the country, than to keep Canada longer under the ban of monopoly. Will any business man say that this is unfair? Has Canada not dealt very generously with the C. P. R. Co?

But there is no danger of the road reverting to the Government. At the making of the C. P. R. contract five millions of dollars of bonds of the company were deposited with the Government to secure the operation of the road for ten years after it was built. On the 4th of May last the Government asked Parliament to release those bonds, and Parliament did so. Sir John Macdonald then said [Hansard 1886, p. 1058.] "We can all remember that at the time this precautionary measure was taken of preserving the security, it was considered very doubtful after its completion that it (the C. P. R.) would be put in operation after it was finished. That doubt was felt very gener-

ally, and it was said especially, even after the completion of the road to the north of Lake Superior, that it would never be run—that the traffic would not pay the grease on the wheels of the locomotives. *That feeling has all disappeared.* * * * No one can suppose for a moment that under the present circumstances that road will not be run. Such a thing as the abandonment of the road or any portion of it, and the forfeiture of their charter,—such abandonment is out of the question." Etc., etc.

We accept Sir John Macdonald opinion, and believe it to be sound. Further than that, we believe that a line to our southern boundary giving the C.P.R. connection with the Northern Pacific

road, and through that with Montana, Dakota and Minnesota would benefit the C. P. R. And besides this the more rapid development of the Northwest, consequent upon our having railway competition, would accrue to the advantage of the C.P.R. Co. in the increase of traffic incident to an increase of population and in the increase in value of its countless acres of land in the Northwest.

In conclusion, I am desired to thank you on behalf of the Conservative Anti-Disallowance Association of Winnipeg for your goodness in giving so much of your valuable space to the publication of these letters.

F. BEVERLEY ROBERTSON,
Winnipeg, Feb., 1887.

V

The Effect of Monopoly.

From every part of Manitoba and the Northwest comes the cry of unfair charges over the line of the Canadian Pacific Railway. In an article upon the proposed railway commission the Kamloops Sentinel of the 23rd ult. suggests:

"That they (the railway commissioners) should make a visit to Kamloops and the country extending from Donald to Port Moody, where the freight and passenger rates charged by the C. P. R. are a menace to the present and future welfare of this country."

And, after quoting some instances in support of its statements, concludes as follows:

"Let it be understood that the Sentinel is not attempting to decry the Canadian Pacific Railway. The important part it has played in the development of the country we willingly acknowledge and attest to, but we do contend that the rates charged the people of this Dominion who, it may be truthfully said, have built the road with money out of their pockets, are beyond peradventure extortionate. This fact we feel assured will be admitted by all amenable to reason, and we have no reason to think that the railway commission are not so."

Now, there would be some reason for excessive charges if the C. P. R. Company were losing money in operating the line. But they themselves claim that they have not done so from the first. In 1882-83 their net earnings (surplus of earnings over all operating expenses) was \$561,143, in 1883-84, \$1,191,890; in 1884-85, \$2,371,350; in 1885-86, \$2,865,429, while in 1886-87 they anticipate a surplus of \$3,500,000. Up to the close of construction stockholders were getting over 10 per cent on their investment, and this year the company has advertised a dividend amounting to 8 per cent. on investment. Consequently it is not their poverty that induces their high tariff. Now, the company has received from the Canadian people:

Completed road, costing.....	\$35,525,444
Cash subsidy.....	35,000,000
From sale of lands (cash).....	12,000,000
Municipal bonuses	370,000

Total..... \$82,895,444

and have land remaining to the extent of more than 13,000,000 acres, which, if sold at an average price of \$1.25 per acre, would make the total gift to the company upwards of \$100,000,000. The company claims that the right of way, construction and equipment of the road cost them less than \$80,000,000, and the administration of the land grant some \$300,000; so that the company gets a road which practically costs them nothing, and a bonus of \$20,000,000 for building it. The land grant was originally proposed as a means of recouping the losses it was estimated would occur on traffic, but as no losses have occurred, it may be considered as a bonus. Now, what do we get for our generosity? Excessive freight and passenger tariffs! So narrow is their administration that the passenger rates on the Emerson branch were last spring raised from three cents per mile to four cents. But somebody benefits.

"A San Francisco despatch of the 3rd inst. states that another cut has been made in the price of tickets from that city to New York. A rate of \$61 prevailed for a few days when the Canadian Pacific made a bid for the overland travel at \$50 to New York for a first-class ticket, limited to 30 days. Such is the benefit conferred on the public through competition."

That is to say, we have bonused the C. P. R. to the extent of \$100,000,000 to enable them to carry American travel from San Francisco to New York for \$2.85 more than they charge for taking a Winnipegger to Montreal, and \$29.50 less than than they will charge for taking him to Victoria B.C? And this fare includes a first-class passage from San Francisco to Victoria, which ordinarily costs \$20. To think that this state of things must endure for the next fifteen years under the monopoly clause of the C. P. R. contract would be intolerable, and we doubt if any partisan policy will induce the people of Manitoba to submit to it.—Manitoba Sun, January 12, 1887.

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